IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Civil Revision No.4857 of 2016 (O&M)

Date of decision : 17.10.2016

Executive Engineer, Provisional Division No.1, PWD B &R, Hisar

.....Petitioner

Versus

The Litani Co-operative L&C Society Ltd.

...Respondent

CORAM : HON'BLE MR. JUSTICE DARSHAN SINGH

Present: Mr. Anil Kumar Yadav, Advocate for applicant-petitioner.

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DARSHAN SINGH, J.

CM No.17381-CII of 2016

This application has been filed under Section 151 of the Code of Civil Procedure, 1908 for recalling the order dated 26.08.2016 vide which the application bearing CM No.16784-CII of 2016 moved by the applicant-petitioner was dismissed for want of prosecution.

Heard on the application.

In view of the reasons mentioned in the application, same is allowed and the application bearing CM No.16784-CII of 2016 moved by the applicant-petitioner is ordered to be restored at its original number.

CM No.16784-CII of 2016

Present application was moved by the applicant-petitioner for placing on record the copy of reply dated 26.10.2010 (Annexure P-1) filed

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by him before the executing Court.

Heard. In view of the reasons mentioned in the application, same is allowed and copy of the reply dated 26.10.2010 (Annexure P-1) is taken on record.

CR No.4857 of 2016

The present revision petition has been preferred against the order dated 30.10.2015 passed by the learned Additional District Judge, Hisar whereby the respondent has been held entitled to recover the future interest at the rate of 18% on the amount of ₹8,64,728/- from the date of award *i.e.* 17.09.2007 till payment.

2. Learned Additional Advocate General for the petitioner contended that the petitioner has already made the payment as per the award dated 17.09.2007. The Arbitrator has awarded the simple interest at the rate of 8% for the period with effect from 05.04.1996 to 17.09.2007. The said interest has already been paid by the petitioner. He contended that there was no future interest awarded by the Arbitrator, so the executing Court has no power to award the interest. Thus, he contended that the impugned order is illegal.

3. I have duly considered the aforesaid contentions.

4. The copy of the award is available on record which shows that the said award was announced by the Arbitrator on 17.09.2007. The Arbitrator has awarded the simple interest at the rate of 8% on the awarded amount *i.e.* Rs.4,06,640/- from 05.04.1996 to 17.09.2007. Section 31 Sub Section 7 of the Arbitration and Conciliation Act, 1996 (hereinafter called

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the "Act") which deals with the grant of interest reads as under:-

> *"(a) Unless otherwise agreed by the parties, where and in so far as an arbitral award is for the payment of money, the arbitral tribunal may include in the sum for which the award is made interest, at such rate as it deems reasonable, an the whole or any part of the money, for the whole or any part of the period between the date on which the cause of action arose and the date on which the award is made.*
>
> *(b) A sum directed to be paid by an arbitral award shall, unless the award otherwise directs, carry interest at the rate of eighteen per centum per annum from the date of the award to the date of payment."*

5. The aforesaid provision has two parts. Sub Section 7 Clause (a) deals with the interest to be awarded by the Arbitrator. It shows that where an arbitral award is for payment of money, it may carry interest at such rate as is deemed reasonable by the Arbitrator on whole or any part of the money for the whole or any part of the period between the date on which the cause of action arose and the date on which the award is made. So, the Arbitrator is to award the interest as per Sub Section 7 Clause (a) of Section 31 of the Act upto the date of announcement of the award.

6. The second part of this provision *i.e.* Clause (b) of Sub Section 7 of Section 31 of the Act deals with the future interest *i.e.* from the date of award till payment of the awarded amount. This provision stipulates that in addition to the sum payable under the award which indeed includes the interest under Clause (a) of Sub Section 7 of Section 31 of the Act, the DH shall also be entitled to interest at the rate of 18% per annum from the date of award to the date of payment, unless the award otherwise directs.

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The copy of the award is available on record, which shows that there is no direction of the arbitral tribunal in the award to debar the respondent-DH for the claim of future interest. In the absence thereof, no fault can be found with the order passed by the learned executing Court to allow 18% future interest on the awarded amount from the date of the award till realisation which was otherwise statutory obligation of the executing Court.

7. Thus, keeping in view my aforesaid discussion the impugned order is perfectly in accordance with the spirit of Section 31(7)(b) of the Act and it does not suffer from any legal infirmity to invite any interference by this Court.

8. Resultantly, the present revision petition is without any merit and the same is hereby dismissed.

17.10.2016 **(DARSHAN SINGH)**
sunil yadav **JUDGE**

Whether speaking/reasoned : Yes / No
Whether reportable : Yes / No

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